

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

I. DISPUTE

1. a. Whether there should be additional reimbursement for dates of service (DOS) 01/22/02, 03/11/02 and 03/22/02?
b. The request was received on 07/22/02.

II. EXHIBITS

1. Requestor, Exhibit I:
 - a. TWCC-60 and letter requesting Medical Dispute Resolution
 - b. TWCC-66a(s)
 - c. EOB(s)
 - d. Pages from Red Book, "Ready Price."
 - e. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
2. Based on Commission Rule 133.307 (g)(4), the Division notified the insurance carrier Austin Representative of their copy of the request on 08/16/02. The Respondent did not submit a response to the request. The "No Response Submitted" sheet is reflected in Exhibit II of the Commission's case file.
4. The notice of Additional Information submitted by Requestor is reflected as Exhibit III of the Commission's case file.

III. PARTIES' POSITIONS

1. Requestor: letter dated 08/09/02
The carrier has not provided reimbursement based on the appropriate fee guidelines.
2. Respondent: none submitted

IV. FINDINGS

1. Based on Commission Rule 133.307(d)(1&2), the only dates of service eligible for review are 01/22/02, 03/11/02 and 03/22/02.
2. The carrier's EOBs have the denial "M – CHARGE FOR THIS PROCEDURE EXCEEDS AVERAGE WHOLESALE PRICE PLUS MARK-UP."
3. The following table identifies the disputed services and Medical Review Division's rationale:

DOS	CPT CODE	BILLED	PAID	EOB Denial Code	MARS	REFERENCE	RATIONALE:
01/22/02	J8499 Vanadom	\$180.20	\$138.46	M	\$157.20	Texas Workers' Compensation Act & Rules, Rule 134.503; Pharmaceutical Fee Guideline (PFG)(II)(A)(2)	<p>Rule 134.503 (a) The maximum allowable reimbursement (MAR) for prescription drugs shall be the lesser of: (1) The provider's usual and customary charge for the same or similar service; (2) The fees established by the following formulas based on the average wholesale price (AWP) determined by utilizing a nationally recognized pharmaceutical reimbursement system (e.g. Redbook, First Data Bank Services) in effect on the day the prescription drug is dispensed. (A) Generic drugs: ((AWP per unit) x (number of units) x 1.25) + \$4.00 dispensing fee = MAR;</p> <p>Effective 03/01/02, the reimbursement formula for a pharmaceutical is found in Rule 134.503. Based on that formula and the AWP, the MAR would be \$209.60 for DOS 03/11/02 & 03/22/02.</p> <p>Prior to 03/01/02, per the referenced PFG, the formula for determining the MAR of generic pharmaceuticals was AWP/unit x number units x 1.38 + \$7.50 = MAR. Based on this formula the MAR for DOS 01/22/02 is \$177.65.</p> <p>Based on a MAR for all three DOS that totals \$596.85 and the \$505.02 reimbursed to date, the Requestor is entitled to the \$91.92 requested on the TWCC-60.</p>
03/11/02	J8499 Carisoprodol	\$209.60	\$183.28	M	\$209.60		
03/22/02	J8499 Carisoprodol	\$209.60	\$183.28	M	\$209.60		
Totals		\$599.40	\$505.02				The Requestor is entitled to \$91.92 additional reimbursement.

V. ORDER

Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Medical Review Division hereby ORDERS the Respondent to remit \$91.92 plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this order.

This Order is hereby issued this 16th day of December 2002.

Larry Beckham
Medical Dispute Resolution Officer
Medical Review Division